

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR**

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April 27, 2009

The Honorable Shaun Donovan, Secretary
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, D.C. 20410

Dear Secretary Donovan:

We are writing to commend you and your colleagues in the Obama Administration for the passage of the American Recovery and Reinvestment Act (ARRA) which advances a coherent set of inter-related and reinforcing strategies to jumpstart economic recovery and improve America's global competitiveness. ARRA includes significant investment in both housing and broadband funding, which we encourage the Administration to further link and leverage through implementation rules, regulations and requests for applications. Specifically, we urge that HUD allow both the construction *and operating costs* for a broadband network and services to be eligible for all HUD funding programs.

We recognize that some HUD programs, including Neighborhood Networks, HOME, and Hope 6, allow for broadband networks to be included in the construction costs or to provide support for technology centers, which is very helpful to introduce residents to digital literacy and high-speed access to the Internet. However, we also know that you and HUD officials in California are very committed to advancing self-sufficiency for residents of HUD-supported housing. And, all the data about broadband adoption make a compelling case that broadband at home is the most transforming kind of access in enabling families to fully participate in today's economic opportunities. We think that incorporating broadband availability in HUD-supported housing is critical to helping residents become as successful as possible in a digital world. Thus, we urge you to revise HUD rules and regulations, particularly in the allocation of ARRA funds, to allow the costs for broadband services in operating budgets.

In summary, we want to invite HUD to join us in aggressively promoting "smart housing" as a signature facet of ARRA so that the immediate economic stimulus will have a long-lasting benefit to improve the digital literacy, economic opportunities, and quality of life of families and children in HUD-supported housing. In turn, "smart housing" will be a leading strategy to enhance America's global competitiveness as a long-term benefit of ARRA investment.

We would welcome the opportunity to work with you and your California team to develop and launch a "smart housing" focus for the ARRA economic stimulus funds.

Sincerely,

Lynn Jacobs
Director
California Housing and
Community Development Department

Sunne Wright McPeak
President and CEO
California Emerging Technology Fund